

*SINGLE AUDIT REPORTS*

**HARDIN COUNTY, TEXAS**

**For the Year Ended  
September 30, 2021**

# HARDIN COUNTY, TEXAS

## SINGLE AUDIT REPORTS

September 30, 2021

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable County Judge and  
Members of the Commissioners' Court of  
Hardin County, Texas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hardin County, Texas (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 19, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
July 19, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Honorable County Judge and  
Members of the Commissioners' Court of  
Hardin County, Texas:

**Report on Compliance for Each Major Federal Program**

We have audited Hardin County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated July 19, 2022 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
July 19, 2022

**HARDIN COUNTY, TEXAS**  
***SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS***  
**For the Year Ended September 30, 2021**

**A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

None

**HARDIN COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended September 30, 2021

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Hardin County, Texas (the "County").
2. Significant deficiencies or material weaknesses in internal control were not disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the County are reported.
7. The programs included as major programs are:

<u>AL Number</u>	<u>Program Name</u>
93.354	Public Health Crisis Response Cooperative
97.039	Hazard Mitigation

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The County did qualify as a low-risk auditee.

**B. FINDINGS – BASIC FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS – FEDERAL AWARDS**

None

**HARDIN COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (page 1 of 2)**  
For the Year Ended September 30, 2021

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	AL Number	Expenditures
<b>US DEPARTMENT OF AGRICULTURE</b>			
<i>Pass-through Department of State Health Services:</i>			
NNS-WIC Local Agency	HHS000804300001	10.557	\$ 287,463
<b>Total US Department of Agriculture</b>			<u>287,463</u>
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Pass-through Texas General Land Office:</i>			
Community Development Block Grant	20-065-145-C857	14.228	314,199
Community Development Block Grant	20-066041-C266	14.228	37,400
<b>Total US Department of Housing and Urban Development</b>			<u>351,599</u>
<b>US DEPARTMENT OF JUSTICE</b>			
<i>Pass-Through Office of the Governor, Criminal Justice Division:</i>			
Felony VAWA Prosecutor	2826907	16.588	25,460
Felony VAWA Prosecutor	2826908	16.588	11,195
			Subtotal
			<u>36,655</u>
Victims Assistance Coordinator	3598402	16.575	47,803
Victims Assistance Center	1366020	16.575	174,201
			Subtotal
			<u>222,004</u>
Technology Upgrade	4012501	16.738	13,590
Coronavirus Emergency Supplemental Funding Program	4171101	16.034	46,552
<b>Total US Department of Justice</b>			<u>318,801</u>
<b>US DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Pass-Through State Department of Public Safety Division of Emergency Management</i>			
Disaster Grants - Public Assistance	FEMA-4332-DR-TX	97.036	324,114
HMGP - Hurricane Safe Room	DR-4332-0233	97.039	184,328
HMPG - Acquisition	DR-4332-0052	97.039	701,339
HMPG- Detention Pond	DR-4332-0232	97.039	261,642
			Subtotal
			<u>1,147,309</u>
<i>Pass-Through Texas Water Development Board</i>			
Flood Mitigation Assistance Program	1700012367	97.029	591,887
<i>Pass-Through Office of the Governor, Homeland Security Grants</i>			
Credentialing and Controlled Access Project	4013001	97.067	31,822
<b>Total US Department of Homeland Security</b>			<u>2,095,132</u>
<b>US ELECTION ASSISTANCE COMMISSION</b>			
<i>Pass-Through Texas Secretary of State</i>			
Help America Vote Act CARES Act	TX20101CARES-100	90.404	18,912
Help America Vote Act Election Security	TX18101001-01-100	90.404	65,588
<b>Total US Election Assistance Commission</b>			<u>84,500</u>

**HARDIN COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (page 2 of 2)**  
For the Year Ended September 30, 2021

Department/Pass-Through Agency/Program Name	Program/Grant/ Project Number	AL Number	Expenditures
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Pass-through Texas Department of Family and Protective Services:</i>			
Title IV-E Foster Care Program	HHS000285100016	93.658	\$ 1,731
Title IV-E Child Welfare	HHS000285000017	93.658	4,097
		Subtotal	<u>5,828</u>
<i>Pass-through National Association of County and City Health Officials:</i>			
Retail Program Standards Mentorship Program	2020-01205	93.103	11,413
<i>Pass-through State Health Services:</i>			
IMM/LOCALS Immunization Branch-Locals	HHS000119700007	93.268	126,272
IMM/LOCALS Immunization Branch-Locals	HHS000119700007	93.268	18,344
COVID-19 Vaccination Capacity	HHS001019500020	93.268	246,809
		Subtotal	<u>391,425</u>
CPS/Hazards (PHEP) Oct 20 - June 21	537-18-0175-00001	93.069	162,483
CPS/Hazards (PHEP) July 21 - Sept 21	537-18-0175-00001	93.069	65,989
		Subtotal	<u>228,472</u>
RLSS/LPHS RLSS/Local Public Health System-PNP	HHS000485600017	93.758	30,372
RLSS/LPHS RLSS/Local Public Health System-PNP	HHS001026100001	93.758	3,209
		Subtotal	<u>33,581</u>
COVID-19 Grant	HHS000812700022	93.323	17,582
COAG Oct 20 - June 21	HHS000371500031	93.354	54,553
Public Health Crisis Response Cooperative Grant Oct 20 - March 21	HHS000769000001	93.354	214,870
Public Health Crisis Response Cooperative Grant April 21 - Sept 21	HHS000769000001	93.354	35,011
		Subtotal	<u>304,434</u>
National Environmental Health Association	CDC-RFA-OT18-1802	93.421	2,500
<i>Direct:</i>			
Risk Factor Study	G-SP-2106-09453	93.103	2,500
Food Protection Task Force	G-FPTF-1909-07649	93.103	276
		Subtotal	<u>2,776</u>
<b>Total US Department of Health and Human Services</b>			<u>998,011</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Pass-Through Texas Department of Emergency Management</i>			
Coronavirus Relief Fund	2020-CF-21019	21.019	2,689,222
<i>Direct:</i>			
American Rescue Plan Act	1505-0271	21.027	1,800
<b>Total U.S. Department of Treasury</b>			<u>2,691,022</u>
<b>Total Federal Expenditures</b>			<u><u>\$ 6,826,528</u></u>

**HARDIN COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2021**

**1. REPORTING ENTITY**

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the activity of all federal financial assistance programs of the County.

**2. BASIS OF ACCOUNTING**

The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent, adjustments or credits made in the normal course to amounts reported as expenditures in prior years.

**4. INDIRECT COST RATE**

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**5. DONATED PERSONAL PROTECTIVE EQUIPMENT**

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The County did not receive PPE donations during the reporting year.